

Message Text

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PAGE 01 LUXEMB 00105 301413Z POSS DUPE
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 SOE-02
OMB-01 DOE-11 /111 W
-----088626 310544Z /14

R 301303Z JAN 78
FM AMEMBASSY LUXEMBOURG
TO SECSTATE WASHDC 6197
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
USMISSION GENEVA

UNCLAS LUXEMBOURG 0105

DEPT PASS TREASURY

BRUSSELS ALSO FOR USEEC

PARIS ALSO FOR USOECD

E.O. 11652: N/A
TAGS: ETRD, EMIN LU
SUBJ: STEEL TRIGGER PRICE

REF: PARIS 2049

1. EMBASSY APPRECIATES OPPORTUNITY FOR ECONOFFICER TO
PARTICIPATE IN JANUARY 20 BRIEFINGS BY TREASURY DAS EHRENHAFT
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AND HAS PROVIDED GOL, STEEL ASSOCIATION, ARBED AND MMRA
STEEL COMPANIES EXPLANATORY MATERIAL ON TRIGGER PRICE
MECHANISM, ANTIDUMPING ACT AND QUESTIONNAIRES FOR ANTI-
DUMPING INVESTIGATIONS. WE WILL REPORT REACTIONS FROM SUBSEQUENT
DISCUSSIONS.

2. AS POINTED OUT DURING MEETING DESCRIBED PARA 2,

REFTEL, REACTION FROM ARBED TO PRELIMINARY TRIGGER PRICE ANNOUNCEMENTS FOCUSSED ON FOLLOWING POINTS:
(A) OWING TO INSUFFICIENT NUMBER OF TRIGGER PRICES PUBLISHED SO FAR AND THEIR BASE PRICE NATURE (THAT IS, WITHOUT EXTRAS FREQUENTLY INCLUDED IN PRICES FOR MANY STEEL PRODUCTS), IT IS TOO SOON TO JUDGE INCIDENCE OF TRIGGER PRICES;

(B) NONETHELESS, A NEGATIVE INCENTIVE APPEARS PRESENT FOR SALES TO THE GREAT LAKES AREA, SPECIFICALLY FOR COLD ROLLED COILS, WHERE 50 PERCENT OF COMPANY'S SALES ARE MADE AT BASE PRICES.

(C) FREIGHT COSTS ALSO SHOW IMPORTANT DIFFERENCES ACCORDING TO THE PORTS OF DESTINATION, TO THE DISADVANTAGE OF EC EXPORTS WHICH ARE PARTICULARLY DIRECTED TOWARDS THE GREAT LAKES AND EAST COAST. IN VIEW OF (B) AND (C), MAINTAINING SUCH COSTS WITHOUT CORRECTION WILL RESULT IN SOME TRIGGER PRICES HIGHER THAN PRESENT US HOME PRICES AND LEAVEIMPORTS WITH NO OR TOO NARROW INCENTIVE MARGINS TO COMPETE. COMPETITION FOR EUROPEAN PRODUCERS QUOTE "BECOMES PRACTICALLY IMPOSSIBLE " UNQUOTE.

(D) IT MAY BE DOUBTED WHETHER THE ESTIMATED LEVEL OF JAPANESE PRODUCTION COSTS CORRESPOND TO REALITY.
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3. UPON RECEIPT OF NEXT LIST OF TRIGGER PRICES, EMBASSY WILL REVIEW SUBJECT WITH LUXEMBOURG INTERESTED PARTIES.PHILLIPS

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NNN

Message Attributes

Automatic Decaptioning: X
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Draft Date: 30 jan 1978
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Expiration:
Film Number: D780045-0594
Format: TEL
From: LUXEMBOURG
Handling Restrictions: n/a
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ISecure: 1
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Litigation History:
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SAS ID: 3799552
Secure: OPEN
Status: NATIVE
Subject: STEEL TRIGGER PRICE
TAGS: ETRD, EMIN, LU, US
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/d3a4eae4-c288-dd11-92da-001cc4696bcc
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